

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-27157 Filed 10-31-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-21452; 812-9682]

**Dimensional Fund Advisors Inc.;
Notice of Application**

October 25, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for an Order under Section 2(a)(9) of the Investment Company Act of 1940 (the "1940 Act").

APPLICANT: Dimensional Fund Advisors Inc. ("DFA").

RELEVANT ACT SECTION: Order requested under section 2(a)(9).

SUMMARY OF APPLICATION: DFA seeks an order under section 2(a)(9) of the 1940 Act declaring that Rex A. Sinquefield, the Co-Chairman, Chief Investment Officer, and owner of 24.9% of the outstanding voting securities of DFA, "controls" DFA despite a presumptive lack of control under section 2(a)(9) by reason of his less than 25% share ownership. DFA seeks such a determination so that a proposed transfer of DFA securities causing Mr. Sinquefield's percentage ownership to increase to more than 25% will not result in the "assignment," as such term is defined in section 2(a)(4) of the Act, of advisory agreements between DFA and its investment company clients.

FILING DATES: The application was filed on July 21, 1995 and amended on October 5, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving DFA with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on November 20, 1995, and should be accompanied by proof of service on DFA, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549.

DFA, 1299 Ocean Avenue, Santa Monica, California 90401.

FOR FURTHER INFORMATION CONTACT: H.R. Hallock, Jr., Special Counsel, at (202) 942-0564, or C. David Messman, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicant's Representations

1. DFA, a Delaware corporation, is a registered investment adviser under the Investment Advisers Act of 1940. Among its other institutional clients, DFA serves as investment adviser to DFA Investment Dimensions Group Inc., The DFA Investment Trust Company and Dimensional Emerging Markets Fund Inc., each of which is a registered investment company under the 1940 Act (collectively, the "Funds").

2. DFA's two founding principals are David G. Booth ("Booth") and Rex A. Sinquefield ("Sinquefield"), who are the Chief Executive Officer and the Chief Investment Officer, respectively, and Co-Chairmen of DFA. Booth owns 26,000 shares, or 36.1% and Sinquefield, together with his wife, owns 18,000 shares, or 24.9%, of the 72,001 currently outstanding shares of common stock of DFA. Of the remaining outstanding shares, 16,879 shares, or about 23.4%, are owned by other individual stockholders, and 11,122 shares, or about 15.4%, are together owned by two institutional shareholders, Kemper Financial Services, Inc. ("Kemper"), and Schroders Capital Management International Inc. ("Schroders").

3. In connection with their purchases of DFA common stock, all the stockholders of DFA, other than Kemper and Schroders, have entered into voting agreements constituting irrevocable proxies to vote their shares in the election of directors in favor of Booth and Sinquefield and such other persons as the two principals jointly designate. The voting agreements effectively require Booth and Sinquefield to act in concert to exercise their voting control. Since Booth and Sinquefield together control about 85% of the vote in the election of directors, they have sufficient voting power to elect all the members of the board. There are currently six directors of DFA, but because DFA's certificate of incorporation provides for plurality voting in the election of directors, no stockholder other than Booth and

Sinquefield has the power to elect even a single director.

4. Since they started DFA in 1981, Booth and Sinquefield have shared the managerial responsibilities of DFA. Their executive duties are often interchangeable, and major business decisions are always made by their mutual agreement. They both have contributed significantly to the development of DFA's investment products, and they jointly determine DFA's management and investment policies. They also share responsibility for oversight of the administrative and operational functions of the business.

5. Pursuant to a Stock Purchase Agreement among DFA, Kemper and Booth, dated July 20, 1995, DFA proposes to purchase 3,622 shares of its stock from Kemper. Such repurchase of shares of DFA would decrease the number of DFA shares outstanding and result in Sinquefield's percentage share ownership increasing from 24.9% to 26.3%. In addition to the pending Kemper transaction, DFA has from time to time considered or engaged in other share transactions that directly or indirectly affect Sinquefield's percentage share ownership. Pursuant to an outstanding warrant and note, for example, Schroders is entitled to receive shares of DFA stock equal to 15% of DFA's shares issued and outstanding immediately following its exercise of the warrant. If Schroders exercises the warrant after the proposed repurchase by DFA of its shares from Kemper, Sinquefield's percentage ownership of DFA shares would decrease from 26.3% to 21.8%.

Applicant's Legal Analysis

1. Section 2(a)(9) of the 1940 Act defines "control" to mean "the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company." The section provides that any person who owns beneficially less than 25% of the outstanding voting securities of a company shall be presumed not to control such company. Section 2(a)(9) further provides that any such presumption may be rebutted by evidence, but shall continue until the SEC makes a determination to the contrary by order on application by an interested person.

2. DFA seeks a determination that the presumption created under section 2(a)(9) has been rebutted by the evidence with respect to Sinquefield. DFA further seeks a determination that, if Sinquefield's percentage ownership is caused to exceed 25%, the subsequent issuance of additional shares of DFA

common stock, such as upon the anticipated exercise by Schroders of its warrant, or such other share transactions having the effect of reducing Sinquefield's percentage of stock ownership to 25% or less, would not cause any actual change in Sinquefield's existing control over DFA.

3. As a result of the principals' shared voting power created by the voting agreements and in light of the other factual circumstances described above, DFA submits that Sinquefield, acting in concert with Booth, does now and always has exerted a controlling influence over the management and policies of DFA. Under any currently contemplated or envisioned scenario in the future, DFA's two controlling principals would continue to exert controlling influence over the management of DFA and no other person would acquire control.

4. DFA further submits that, as the presumption of section 2(a)(9) that Sinquefield does not now "control" DFA arguably has been rebutted by the facts set forth above, neither the pending share transaction with Kemper, nor any other such transaction directly or indirectly resulting in an increase or decrease in Sinquefield's percentage stock ownership, will cause a change of "control" within the meaning of section 2(a)(9). Nor will such transactions constitute a "transfer of a controlling block" of DFA shares resulting in an "assignment" within the meaning of section 2(a)(4). Under section 15(a)(4) of the 1940 Act, any such assignment would result in the automatic termination of DFA's investment advisory agreements with the Funds. If the agreements were terminated, new investment advisory agreements would have to be approved by each Fund's directors and shareholders under section 15(a).

5. DFA agrees that any order granted on the application will remain in effect only so long as Sinquefield continues to have substantially the same (or greater) management responsibilities and responsibility for oversight of the administrative and operational functions of DFA. Sinquefield also will continue to own, jointly or solely, at least 12.5% of DFA's outstanding shares. In addition, while it currently is contemplated that no share transactions will be effected by DFA that would have the effect of reducing Booth and Sinquefield's aggregate ownership to less than 50%, in no event would any share transactions be effected by DFA during the pendency of the requested order that would have the effect of reducing Booth and Sinquefield's aggregate ownership to less than 25%.

Finally, DFA agrees that any order granted on the application will remain in effect only so long as Sinquefield, either jointly or solely, continues to control at least a majority of the voting power of DFA's outstanding common stock with respect to the election of directors through the above-described voting agreements or similar binding contractual arrangements.

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-27123 Filed 10-31-95; 8:45 am]

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[Investment Company Act Release No. 21454; 811-7207]

Dreyfus Equity Funds, Inc.; Notice of Application

October 25, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Dreyfus Equity Funds, Inc.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on October 4, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on November 20, 1995, and should be accompanied by proof of service on the applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 200 Park Avenue, New York, New York 10166.

FOR FURTHER INFORMATION CONTACT: Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or C. David Messman, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end diversified management investment company organized as a Maryland corporation. On July 27, 1994, applicant filed a notification of registration pursuant to section 8(a) of the Act on Form N-8A and a registration statement under the Act and the Securities Act of 1933. Applicant's registration statement has not been declared effective and applicant has not made a public offering of its shares.

2. Applicant has not issued or sold any securities, except to its sole shareholder and sponsor, The Dreyfus Corporation. As of the date of the filing of the application, applicant has no shareholders, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding.

3. Pursuant to a meeting held on September 14, 1995, the applicant's Board of Directors determined that it was advisable and in the best interests of the applicant to withdraw its registration statement with the SEC, cease to be registered as an investment company, and to liquidate its assets and distribute the proceeds to The Dreyfus Corporation.

4. Applicant is not now engaged, nor does it propose to engage in any business activities other than those necessary for the winding-up of its affairs.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-27124 Filed 10-31-95; 8:45 am]

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[Investment Company Act Release No. 21453; 811-7213]

Dreyfus Omni Fund, Inc.; Notice of Application

October 25, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Dreyfus Omni Fund, Inc.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.